



Irish Life Weekly Investment Bulletin

The week that was – WEEK 27 2018 (ending 06/07/2018)

"If you're in the penalty area and don't know what to do with the ball, put it in the net and we'll discuss the options later." – Bob Paisley

Irish unemployment rate in June reduces to 5.1% – Latest figures published by the CSO show the seasonally adjusted unemployment rate for June 2018 was 5.1% (5.2% for females, 5.1% for males and 11.4% for youth), the lowest since October 2007 and down from 5.2% in May 2018 and 6.6% in June 2017.

BOE Chief upbeat on U.K. economy and World Cup! – Bank of England Governor Mark Carney said he had "greater confidence" that weak economic growth in Q1 was mainly down to the bad weather. He also said England winning the World Cup would be an "unalloyed, unadulterated absolute good" for the economy.

Global stock market up 0.8% on the week – The MSCI AC World TR Index showed a 0.8% return from 29th June to 6th July, in a 4th July holiday-shortened week in the U.S., as markets responded positively to better than expected U.S. jobs and manufacturing reports. The Vix closed the week at 13.37, down from 16.09.

U.S. jobs report for June beats expectations – The Bureau of Labor Statistics reported that non-farm payrolls increased in June by 213,000, compared to the 195,000 expected in a Reuters poll of Economists. The unemployment rate however rose to 4% (v expectations of 3.8%) from an 18-year low of 3.8% in May.

Brexit divisions in UK cabinet worsen – The Brexit compromise deal teased out by Theresa May's cabinet at the Chequer talks on Friday already seems to be in serious question after the resignation of David Davis, the Brexit Secretary of State as well as others. The deal has divided opinion, which some see as a sell-out.

BoJ Tankan survey drop in Q2 – The Bank of Japan quarterly Tankan survey, which measures the % difference between companies that are upbeat on current business conditions and those that are not, came in at +21 for Quarter 2, down from +24 in Q1, but it still remains near its highest level in more than a decade.

The Story of the week: Dozens of "drunken" seagulls have become "disoriented and confused" after scavenging alcohol in southwest England in recent weeks said RSPCA Vet David Couper. He said the birds had been brought in after being found on beaches across Devon and Dorset. Couper went on to say "... some have died and others are seriously ill but most of them have made good recoveries and have been released after a few days in our care."

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 06/07)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	1.9
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	0.6
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	1.4
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	0.6
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	4.2
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	11.4
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-4.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-4.7
Eurozone Government Bonds 1-5 yr	2.1	3.4	1.0	0.9	-0.2	-0.4
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.3
UK	3.0	1.9	1.9	1.2	1.2	1.3
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.8
Italy	4.1	2.1	1.6	1.8	2.0	2.7
Greece	8.2	9.6	7.9	7.1	4.1	3.9
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.0
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.18
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.32
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	2.8% (To end of Q1)
U.K.	10.7	17.8	13.1	3.6	10.3%	1.9% (To end of Q1)
U.S.	11.4	11.2	12.1	7.8	7.1%	2.2% (To end of Q1)

*Past performance is not a reliable guide to future performance and may fall as well as rise.